

REMARKS

Claims 1-64 are pending in this Application. By this Reply, Applicants are amending claims 1, 3, 4, 7, 13, 18, 27, 28, 29 and 47, and have cancelled claims 9-12, 21-26, 31, 34, 37-46, 50, 56, 57, 60, 62 and 63 without prejudice to reinstate in a continuation application.. Applicants respectfully submit the amendments do not add new matter to the Application and are fully supported by the specification as originally filed. Accordingly, claims 1-8, 13-20, 27-30, 32-33, 35-36, 47-49, 51-55, 58-59, 61 and 64 are at issue.

The Examiner has provisionally rejected claims “(28-34, 36 and 56) and (47-53 and 61)” under 35 U.S.C. 101 as claiming the same invention as claims 1-6, 9 and 10 of co-pending Application No. 09/813,745. Applicant respectfully traverses this provisional rejection.

Claim 28, as amended herein, requires “providing a guarantee from third party to said first institution of said indemnification of for providing said money for said Financial Product.” This limitation is not found in claims 1-6, 9 or 10 of co-pending Application No. 09/813,745. Accordingly, Applicant respectfully submits claim 28 is not coextensive with claims 1-6, 9 or 10 of co-pending Application No. 09/813,745.

Claims 29, 30, 32, 33 and 36 depend on claim 28 and include each of its limitations. Accordingly, Applicant respectfully submits claim 29, 30, 32, 33 and 36 are also not coextensive with claims 1-6, 9 or 10 of co-pending Application No. 09/813,745. Claims 31, 34 and 56 have been cancelled.

Claim 47, as amended herein, requires “said indemnification is obtained in part from said second institution and in part from a third party.” This limitation is not found in claims 1-6, 9 or 10 of co-pending Application No. 09/813,745. Accordingly, Applicant respectfully submits claim 47 is not coextensive with claims 1-6, 9 or 10 of co-pending Application No. 09/813,745.

Claims 48, 49, 51-53 and 61 depend on claim 47 and include each of its limitations. Accordingly, Applicant respectfully submits claim 48, 49, 51-53 and 61 are also not coextensive with claims 1-6, 9 or 10 of co-pending Application No. 09/813,745. Claim 50 has been cancelled.

The Examiner has provisionally rejected claims 1-27, 35, 37-46, 54, 55, 57-60 and 62-64 on the ground of nonstatutory double patenting over claims 1-30 of co-pending Application No.

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09/813,745. Applicant is submitting herewith a Terminal Disclaimer in compliance with 37 CFR 1.321(c). Accordingly, Applicant respectfully submits this rejection is now moot.

The Examiner has objected to claims "(7-12, 18, and 63) and (47-54 and 61)" under 37 CFR 1.75 as being a substantial duplicate of claims "(1-6 and 55) and (28-35 and 56), in that order."

Claims 1, 7, 28 and 47 have all been amended herein. Accordingly, Applicant respectfully submits this objection is moot.

The Examiner has rejected claims 21-26, 57 and 62 under 35 U.S.C. 101 as being directed to non-statutory subject matter. Applicant has cancelled these claims.

The Examiner has rejected claims 1-64 under 35 U.S.C. 103(a) as being unpatentable over Levine in view of Abrahams. Applicants respectfully traverse this rejection.

Claim 1, as amended herein, is directed to method of providing a Financial Product involving a first institution providing money for the Financial Product and a second institution indemnifying the first institution against all risk. The method further includes the step of "providing a guarantee by a third party to said first institution of said indemnification of said second institution for said first institution providing said money for said financial product." Thus, a third party is backing up the indemnification of the second institution and providing even further assurance the first institution will not be left with a bad loan (e.g., in the case the second institution cannot back up its indemnification because of lack of funds, insolvency etc.).

In this regard, the presently claimed invention is concerned with how "risk" is managed when multiple parties are involved with a financial product. In particular, the invention removes all risk from the money provider. Moreover, the invention contemplates unique roles for the parties involved in the financial product.

In contrast to the present application, Levine discloses a method for servicing financial products. Levine is not concerned with how the risk is managed when there are multiple parties to a Financial Product, or with the various roles taken by the parties in the claimed invention.

Abrahams does not cure the deficiencies of Levine. In Abrahams, there is a Borrower, an Issuer (Money Provider & Servicer), a Holder (who may replace the Issuer as Money Provider by purchasing the loan AND the risk through a Securitization vehicle), and an Insurer. The Issuer or Holder (i.e., the money provider) is not indemnified against all risk.

Abrahams covers the treatment of the guaranteed portion of “insured loans.” The guarantor is the secondary source of repayment if the borrower defaults. The guarantor is the only party at risk in this scenario.

In contrast, the present invention refers to a system where there is a customer, a Money Provider, a Servicer and a third party (e.g., an insurance company). The Servicer assumes ALL of the risk and has this indemnification backed-up by a third party. This "back-up" guarantee is for the benefit of the Money Provider, NOT the Servicer. So the Servicer remains 100% at risk.

In the present invention, the Financial Products themselves are “not guaranteed,” which would transfer risk from the money supplier and the servicer to the guarantor. Instead, the risk remains with the servicer and uses the guarantor as another source of repayment to the money supplier. This keeps the servicer always at more risk than the money supplier or guarantor.

The present system eliminates Interest Rate Risk, Currency Risk and Nationalization Risk when lending in a foreign country by virtue of how the system is arranged and no cost is incurred to insure against these risks since they simply don't exist. In Abrahams, someone (the Borrower) has to pay for Mortgage Insurance, thereby increasing the cost of the loan product. Foreign Interest Rate Risk, Currency Risk and Nationalization Risk remains with Abrahams, as do the duplicate costs of branding and advertising.

The present system also reduces costs, eliminates foreign risk AND protects Banks and the Governments and Taxpayers from Risk. Abrahams is simply taking a specific loan and insuring it for one specific type of risk (default) while raising the total cost to deliver the loan.

In view of these differences, Applicant respectfully submits claim 1 is patentable over Levine in view of Abrahams. Claims 2-8 and 55 depend on claim 1 and include each of its limitations. Accordingly, Applicant respectfully submits claims 2-8 and 55 are also patentable over Levine in view of Abrahams.

Claim 13 is directed to a method that requires, in part, “obtaining indemnification for said Intermediary company against all risk associated with providing money for said contracted Financial Product, wherein said indemnification at least in part is in the form of a performance bond.”

As set forth above, Levine does not disclose a method which eliminates all risk from the party supplying the money for the Financial Product. Abrahams also fails to provide such

disclosure. Accordingly, Applicant respectfully submits claim 13 is patentable over Levine in view of Abrahams.

Claims 14-18 and 64 depend on claim 13 and include each of its limitations.

Accordingly, Applicant respectfully submits claims 14-18 and 64 are also patentable over Levine in view of Abrahams.

Claim 19 is directed to method that requires, in part, “obtaining indemnification for said first institution of all risk for providing said money for said Financial Product wherein said indemnification at least in part is in the form of a put option.”

As set forth above, Levine does not disclose a method which eliminates all risk from the party supplying the money for the Financial Product. Abrahams also fails to provide such disclosure. Accordingly, Applicant respectfully submits claim 19 is patentable over Levine in view of Abrahams.

Claims 20 and 58 depend on claim 19 and include each of its limitations. Accordingly, Applicant respectfully submits claims 20 and 58 are also patentable over Levine in view of Abrahams.

Claim 27 is directed to a method that requires “using a performance bond issued by an insurance company to support a financial services company’s indemnification to a money supplier for the use of money in a contracted service.”

Claim 59 depends on claim 27 and includes each of its limitations. Accordingly, Applicant respectfully submits claim 59 is also patentable over Levine in view of Abrahams.

As set forth above, neither Levine nor Abrahams discloses having a third party (here, an insurance company) support an indemnification to a money provider. Accordingly, Applicant respectfully submits claim 27 is patentable over Levine in view of Abrahams.

Claim 28 is directed to a method that requires, in part, “providing a guarantee from a third party to said first institution of said indemnification of for providing said money for said Financial Product.” Accordingly, for the reasons given above with respect to claim 1, Applicant respectfully submits claim 28 is patentable over Levine in view of Abrahams.

Claims 29, 30, 32, 33, 35 and 36 depend on claim 28 and include each of its limitations. Accordingly, Applicant respectfully submits claims 29, 30, 32, 33, 35 and 36 are also patentable over Levine in view of Abrahams.

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Claim 47 is directed to a method that requires, in part, "indemnifying said first institution of all risk for providing said money for said Financial Product, wherein said indemnification is obtained in part from said second institution and in part from a third party."

As set forth above, neither Levine nor Abrahams discloses having a third party (here, an insurance company) support an indemnification to a money provider. Accordingly, Applicant respectfully submits claim 47 is patentable over Levine in view of Abrahams.

Claims 48, 49, 51-54 and 61 depend on claim 47 and include each of its limitations. Accordingly, Applicant respectfully submits claims 48, 49, 51-54 and 61 are also patentable over Levine in view of Abrahams.

In light of the above amendments and remarks, Applicant respectfully requests reconsideration and allowance of claims 1-8, 13-20, 27-30, 32-33, 35-36, 47-49, 51-55, 58-59, 61 and 64. The Examiner is invited to contact the undersigned attorney if there are any questions regarding this Reply.

Respectfully submitted,

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